

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588



VIA FEDERAL EXPRESS

May 5, 1998

RECORDATION NO. 2138 FILED

MAY 7 '98

3-27 PM

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301 (a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated February 19, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

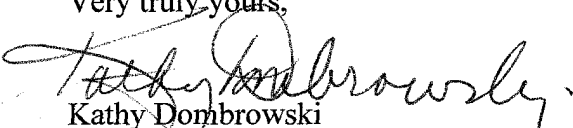
Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Railcar Ltd.
Suite 455
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

Very truly yours,


Kathy Dombrowski
Manager-Documentation

Enclosures
(RCL004)

ASSIGN: RCL004

MEMORANDUM OF LEASE

RECORDATION NO. 21381 FILED

MAY 7 '98

3-27 PM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 19th day of February, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Railcar Ltd., a Georgia corporation, ("Lessee").

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement dated as of October 31, 1994, as amended by Amendment to Lease Agreement dated as of February 19, 1998, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: J. J. Thomas

Name: JACK THOMAS
President

Title: _____

ATTEST:

By: Michelle Berg

Name: Michelle Berg

Title: Office Manager

Executed on this 16 day of April, 1998.

[CORPORATE SEAL]

STATE OF Illinois

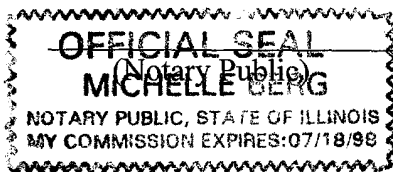
COUNTY OF Cook

I, Michelle Berg, a Notary Public in and for said state and county, certify that John J. Thomas personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 16 day of April, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

RAILCAR, LTD.

By: [Signature]

Name: Eugene N. Martini

Title: Chief Financial Officer

ATTEST:

By: _____

Name: Wilds L. Pierce

Title: President

[CORPORATE SEAL]

STATE OF Georgia

COUNTY OF Fulton

I, Jay J. Hardin, a Notary Public in and for said state and county, certify that Eugene N. Martini personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 15th day of April, 1998.

[Signature]
Notary Public

My Commission Expires:

Notary Public, Coweta County, Georgia

My Commission Expires March 30, 1999

(Notary Public)

EXHIBIT A
to
Memorandum of Lease

One Hundred Forty (140) Open-Top Hopper Railcars

Car Numbers

GNRR 000900 -- 001039